

**Minutes of the Regular Planning Board Meeting
Monday, October 24, 2005 – 7:00 p.m.**

1. CONVENE: 7:05 p.m.
2. FLAG SALUTE: Ms. McNamara
3. ROLL CALL: President Cunningham, Vice President Cook, Kohlstrand, Lynch, McNamara, and Piziali.

Ms. Mariani was absent.

Also present were Supervising Planner Cynthia Eliason, Deputy City Attorney Julie Harryman, Douglas Garrison, Planner III, Bruce Knopf, Redevelopment Manager, Development Services.

4. MINUTES:
 - a. Minutes for the Special meeting of September 29, 2005.

M/S McNamara/Cook to approve the minutes for the meeting of September 29, 2005, as presented.

AYES – 5 (Mariani absent); NOES – 0; ABSTAIN – 1 (Kohlstrand)

- b. Minutes for the meeting of October 10, 2005.

Ms. Kohlstrand advised that page 3, paragraph 2, should read, “Ms. Kohlstrand ~~inquired whether~~ *noted that the public plaza discussion had been part of the Park Street Revitalization discussion, and whether it could be placed there had been any further discussion about placing that plaza across the street from City Hall.*”

Vice President Cook noted that with respect to page 10, paragraph 1, she wanted to ensure that it was understood that the Board also wanted a discussion with the City Manager or the appropriate representative about the staffing needs and shortage, and that the information received was not in lieu of that discussion.

M/S Cook/Kohlstrand to approve the minutes for the meeting of October 10, 2005, as corrected.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

5. AGENDA CHANGES AND DISCUSSION: None.
6. ORAL COMMUNICATIONS:

Ms. Dorothy Reid, Willows Homeowners, 2101 Shoreline, noted that ten community members had

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met with Target and some staff members, and thanked Mr. Garrison for arranging the meeting. She noted that they agreed on some items, and that the store cannot be made smaller, nor can it be reoriented in the shopping center. They agreed that traffic still needed to be studied, and were assured that seismic studies would be guided by Planning codes. She added that there were some areas where compromise could not be reached.

7. CONSENT CALENDAR:

- 7-A. **UP05-0014/MDR05-0217 – Li-Sheng Fu & Jim Hom – 2320 Lincoln Avenue (EP).** A Use Permit to allow outdoor dining at the rear of the building located adjacent to Gim's Chinese Kitchen. The proposed outdoor dining area is approximately 975 square feet in size and will be utilized during normal business hours (between 7 a.m. and 10 p.m.) 7 days a week. Only minor changes are proposed to rehabilitate the exterior of the building. The site is located within a C-C-T, Community Commercial Theater Zoning District. (**Applicant requests continuance to the meeting of November 14, 2005.**)

M/S Cook/Piziali and unanimous to continue this item to the meeting of November 14, 2005.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

- 7-B. **DR05-0045, PF05-0001, V05-0008; John Knowles - 2416 Central Avenue (AT).** Applicant requests Major Design Review approval for the construction of a new 5,850 square foot two-story commercial retail/office building in the northeast quadrant of an existing parking lot located between the buildings occupied by the Starbucks cafe and Gallagher and Lindsey offices. The applicant also requests the payment of in-lieu fees and Variance for the additional required parking spaces. The property is located within a C-C T, Community Commercial Theatre Combining District. **(Continued from the meeting of October 10, 2005.) (Staff requests continuance to the meeting of November 14, 2005.)**

M/S Cook/Piziali and unanimous to continue this item to the meeting of November 14, 2005.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

8. REGULAR AGENDA ITEMS:

- 8-A. **DPA05-0001 and DR05-0089; Bay Ship and Yacht, 2900 Main Street (DG).** The Applicant requests approval of a Development Plan Amendment and Major Design Review. Previous approvals include Development Plan DP85-2, Development Plan Amendment PDA03-005, Use Permit UP03-017 and Major Design Review DR03-0119. The current application includes modifications to some of these earlier approvals. These modifications include: replacement of a proposed fabric covered steel frame structure with a metal building, expansion of this structure by 900 sq. ft.; the construction of a second building of similar design, in an area previously approved as an outdoor work area, that will be used as a boat refit bay; and the construction of a new building housing a lunchroom, supply room and production office. The new buildings would replace other existing facilities, consequently there would not be an increase in project capacity or intensity of use. The project site is zoned General Industrial (Manufacturing) District (M-2).

Ms. Garrison presented the staff report, and noted that no further environmental or mitigation measures would be required. Staff recommended approval of this project.

The public hearing was opened.

Mr. Cris Kraft, Bay Ship and Yacht, 2900 Main Street, applicant, noted that he would be available to answer questions from the Board.

The public hearing was closed for Board discussion.

In response to an inquiry by Vice President Cook regarding public access at the west end of the site, public art and landscaping, Mr. Garrison noted that the landscaping plan did not have all the trees on it. Additional trees would be planted in the southernmost part of the parking lot, as well as around the recently constructed administrative building to provide screening and softening between that building and the public areas.

In response to an inquiry by Vice President Cook regarding trees by Building A, Mr. Kraft replied that there would be trees along that area, but they were new. He added that ground cover had been added along the side of the building. He did not believe the ground cover looked adequate, so shrubs would be added.

Vice President Cook wished to ensure that there would be a logical and clear public access and bike route, so that it connected to future improvements at Alameda Point.

M/S Cook/Piziali and unanimous to adopt Planning Board Resolution No. PB-05-43 to approve a Development Plan Amendment and Major Design Review. Previous approvals include Development Plan DP85-2, Development Plan Amendment PDA03-005, Use Permit UP03-017 and Major Design Review DR03-0119. The current application includes modifications to some of these earlier approvals. These modifications include: replacement of a proposed fabric covered steel frame

structure with a metal building, expansion of this structure by 900 sq. ft.; the construction of a second building of similar design, in an area previously approved as an outdoor work area, that will be used as a boat refit bay; and the construction of a new building housing a lunchroom, supply room and production office. The new buildings would replace other existing facilities, consequently there would not be an increase in project capacity or intensity of use.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

8-B. **Planned Development Amendment PDA05-0004 (DG).** Presentation to the Planning Board concerning proposed expansion of the South Shore Center. The presentation and discussion will focus on project consistency with existing City economic and retail development plans and policies. The purpose of this meeting is for discussion purposes only.

Ms. Eliason noted that the economic consultant was delayed following an airline flight, and suggested that the staff report be heard first.

Mr. Garrison summarized the staff report, and noted that the Planning Board wanted additional information on economic impacts and how this project fit into the overall Citywide economic development strategy for retail development. The environmental review was ongoing, including traffic studies and visual simulations. He noted that this presentation would focus on economics, rather than traffic and noise.

In response to an inquiry by Ms. Kohlstrand regarding the release of a draft of the environmental review, Mr. Garrison replied that the traffic study must be finalized first, and that preliminary traffic data was sent to Public Works for their review; they submitted comments to the traffic engineer, who would revise his study to incorporate their comments. He expected that a final traffic study would be available in approximately a month; the rest of the environmental study could be completed at that time. If a mitigated negative declaration is the appropriate document, it would be available within a few months; a full EIR would take longer.

In response to an inquiry by Mr. Lynch regarding the environment consultant, Mr. Garrison replied that it was Lamphier Gregory; the traffic, noise and air sections were on hold.

In response to an inquiry by President Cunningham whether the Economic Development Commission had reviewed this application, Mr. Knopf replied that they had heard a draft presentation the previous Thursday night by Linda Congleton, who was hired by the City to produce a focused analysis of this proposal. The next EDC meeting would be scheduled for November 11; the full presentation would be made at that time. He noted that it was very important to the EDC that existing businesses, retail and commercial uses be supported. He discussed retail opportunities and leakage, and noted that Trader Joe's has become a destination retail space for Alamedans. He reviewed the background of South Shore development and the analysis of retail needs on the western part of the Island.

Mr. Lynch noted that he would like the EDC and Development Services to remain open to other types of retail experiences as the City develops its underdeveloped parcels. He noted that sales tax revenues funded public services, and that it was important to maintain a vital and appropriate revenue flow.

Mr. Knopf noted that there has been general public concern about big box stores, and added that big boxes historically came about with freestanding stores like Costco, Sam's Club and other minimally staffed warehouses where customer service was not the priority. He noted that this proposal was not a big box, although that term was used in a general way where it did not technically apply. He noted

that big box stores typically had negative economic and design impacts on the community. The EDC tried to generalize from those two points when significantly large new retail proposals came forth. The two questions surrounding this concern were: Whether it primarily serves the community, and does it meet an unmet need in Alameda. The EDC believed that the shoppers would maintain its existence; it was not desirable for one store to cannibalize the rest of the retail stores. In terms of design, some retailers require large floor plates for their designs, such as new, larger supermarkets. The City wished to craft a policy that is able to respond to changes in the marketplace, and that the retail uses should be pedestrian-friendly.

M/S Piziali/Kohlstrand and unanimous to hear Items 9 and 10 before the remainder of Item 8-B.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

The public hearing was opened.

Ms. Linda Congleton, Linda Congleton & Associates, had prepared a focused economic analysis of the Target proposal for South Shore Center. She summarized her background, and presented an extensive PowerPoint presentation of the economic analysis. She noted that a Target would not need to rely on off-Island customers, and that it was an attractive magnet for other retailers. She found that Target's merchandising was compatible with the upscale economic demographic of Alameda. She estimated that Target would generate annual sales of \$44-50 million, bringing in sales tax revenues of nearly \$500,000 per year; over a ten-year period, approximately \$5 million in sales tax revenues would be generated for City services. She noted that Target was not dependent on freeway access, and that the South Shore location was so well-known that the company was confident it would thrive there. She added that Target was very community-oriented, and was a highly philanthropic company. She displayed slides of various Target store designs.

President Cunningham noted that more than five speaker slips had been received.

M/S McNamara/Piziali and unanimous to limit the speaker times to three minutes.

AYES – 6 (Mariani absent); NOES – 0; ABSTAIN – 0

Mr. Jack Easterday, owner, Alameda Care Center, 1150 Ballene Blvd. #210, spoke in support of this application. He believed that Target would be a vitalizing element in South Shore Center. He noted that he had lived next door to a Target in Southern California, and now lives in Alameda. He had reviewed the plans given to him by Target and South Shore, and believed they were positive for Alameda Care. He noted that the Safeway store had become tired-looking, and added that their delivery trucks parked behind his back door.

Ms. Joan Ruiz, 2101 Shoreside #145, spoke in opposition to this item, and distributed photos to the Board. She was very concerned about traffic impacts on and off the Island, which was already congested without a Target. She believed that South Shore Center was intended to be a convenience shopping center, and did not believe this was an appropriate use for the area.

Ms. Pat Gannon, 1019 Tobago Lane, expressed concern about the potential impact a Target would have on Willows residents, including traffic congestion and delivery truck noise and fumes. She was concerned that their property values may be negatively affected. She did not believe a Target would prevent off-Island retail leakage.

Ms. Susan Pieper, 2101 Shoreline, spoke in opposition to this item. She believed that the Target proposal was not as good as it looked economically, and that it may be short-sighted. She believed Target's presence would prevent the presence of mid-sized businesses (smaller than 145,000 square feet) such as the Gap, Banana Republic, Pottery Barn and Crate & Barrel. She urged the Board to take its time in considering this option.

Mr. Robert Matz, 2101 Shoreline Drive #204, spoke in opposition to this item. He believed that both reports misapplied CRP #1 to this project, and that their conclusion that this project will not duplicate existing retail was unsupported by the facts. He believed there were economic effects not addressed by this report, and that there was a lack of objectivity in both reports. He believed CRP #1 was designed to complement, not duplicate, and that this report concerned anchor stores. The report conceded that Mervyn's is an anchor store. He believed that Mr. Garrison's report was false in its statement that Target did not duplicate existing retail, and that it did duplicate Mervyn's use. He believed that the Congleton report was inaccurate because he did not believe the issue was about shopping at Target, or whether or not Alameda residents traveled off-Island to shop at Target. He noted that both reports identified sales tax as the primary economic benefit of this project, and added that the October 13, 2005, report identified a sales tax increase of \$165,000, not \$500,000 as reported by Ms. Congleton. He noted that neither report acknowledged any property tax decrease from impacted property values. He disagreed with Ms. Congleton's assessment of the project as an upgrade of the South Shore Center anchor store position.

Ms. Dorothy Reid, 2101 Shoreline, spoke in opposition to this item. She did not believe there was any data support the conclusions in the report, and added that much of the data provided came from Target. She believed that Target was a big box store because of its size and merchandise, and that other research studies identified it as a big box store. She was very concerned about the traffic impacts of this store.

Mr. Mark Irons, 835 Oak, submitted a speaker slip, but was not in attendance to speak.

Mr. Kevin Frederick, 1287 Caroline Street, spoke in opposition to this item. He objected to the massive size of this store, and believed it was a big box store despite the design of the façade. He disagreed with Mr. Lynch's opinion of development and redevelopment, and would like Alameda to be somewhat underdeveloped so it did not contribute to urban sprawl. He objected to the proposed store's impact on traffic. He inquired whether any workshops had taken place yet. He believed this project should be scaled back or not built at all.

Ms. Lucy Gigli, 849 Laurel Street, spoke in opposition to this item, and noted that she shopped at South Shore Center frequently. She was very concerned about the potential changes in the

neighborhood if Target was built. She would like to see substantive estimates and analyses of traffic impacts and sales tax revenues.

Ms. Susan Older, 1109 Mound Street, spoke in opposition to this item, and expressed concern about possible traffic congestion. She enjoyed shopping at Target, and did not mind driving to the San Leandro store. She did not believe that South Shore was an appropriate site for this store.

Mr. Joe Cloren, 1045 Tahiti, spoke in opposition to this item, and expressed concern about the store's impact on emergency vehicle response time.

Mr. Mark Pottgeiser, 831 Oak Street, indicated his opposition to this item, but was not in attendance to speak.

The public hearing was closed for Board discussion.

Ms. Congleton noted that the sales tax revenue estimation was based on her professional assessment of the number of households and amount of affluence adequate to support this store. She added that if Target needed off-Island customers, they would not be so enthusiastic about this central Alameda location. She did not see the traffic issues as significant, and noted that intra-Alameda traffic would also reduce the number of trips off-Island to Targets in other cities. She noted that she was not a traffic engineer.

President Cunningham would like to see more detailed information to support the report. Ms. Congleton advised that she could provide a detailed demand analysis.

In response to an inquiry by Ms. Kohlstrand whether off-Island shoppers would be attracted to this store, Ms. Congleton replied that Alameda residents would not go to Target stores off-Island if there was a local Target. She believed that the South Shore location would not attract off-Island shoppers, as it would if it has easy freeway access. She added that the resident base in Alameda has increased in income and shopping sophistication, and that the very low discount stores that had been in South Shore were not attractive to the current demographic.

Vice President Cook would like to see more objective data, and noted that there were no easy Targets to get to from Alameda and Oakland *and traffic from Oakland may therefore be greater than anticipated.*

Ms. Congleton noted that while there had been some negative press about Wal-Mart, she was unaware of anywhere in the nation where a Target has caused closures of small businesses. She believed a Target strengthened local retail by meeting shopping needs, resulting in less retail leakage.

President Cunningham echoed the Board's requests for more data to support that assertion.

Mr. Lynch noted that he liked shopping on the Island, and inquired how merchants' goals had been

met with the existing changes from development along Park Street.

In response to an inquiry by Mr. Lynch how this potential development would impact leakage, Mr. Knopf replied that a separate report addressed leakage, and used sales tax data from five years ago. He noted that the most vulnerable areas were those that had not been touched by the resurgence on Park Street. He discussed retail characteristics based on demographics and geography. He noted that the Gap was not interested in Alameda, and added that retailers were extremely conservative and wanted to go into a market where they were sure to succeed, and where they would find neighbors that they are used to having. He believed that Target would serve as an anchor that would attract other medium-sized retailers such as William Sonoma or Gap. He had not seen any readiness on the part of Banana Republic to place a store in Alameda. He believed that while Target could attract the Wal-Mart shoppers, he did not believe that Wal-Mart could attract the Target shoppers.

Ms. Kohlstrand liked the Target shown in an urban setting, but added that most Targets she was familiar with were not like that. She would like to go through this process in a rational way with quantifiable data, rather than taking a leap of faith.

Ms. Congleton noted that she would respond to the Board's concerns. Ms. Congleton noted that she could provide a quantification analysis. Mr. Lynch suggested that a demand analysis also be performed.

Vice President Cook would like to understand who some of the other potential tenants would be, and an idea of the center at full buildout. Ms. Congleton noted that she could look at some co-tenants, and the kinds of shops that generally surround Target. Vice President Cook would also like to see what would be a reasonable capacity for the center.

Ms. McNamara supported the need for the Board to have more substantial financial data. She believed that an 85%/15% split was a cookie-cutter marketing approach to Alameda's particular situation. She believed that there would be a greater influx of people coming in to Alameda to shop because of the increasing amount of development in the Port of Oakland area and along the Oakland Estuary area. She noted that there was a huge upscale development on the other side of Park Street that was nearly completed. She believed the potential impact of inbound customers from affluent surrounding areas. Ms. Congleton replied that would be able to provide that information, and that she would examine the quantity of those homes as well.

Ms. McNamara expressed concern about the traffic impact in that area, which was congested even without a Target.

Ms. Eliason emphasized that the economic consultant was not a traffic consultant. Ms. McNamara noted that she would bring that issue up at a later time.

Ms. Kohlstrand advised that her main issues were traffic, design, and the scale issue. She would like to discuss the size of the store further, which Target should respond to.

Ms. Congleton advised that this store was Target's smallest format of 127,000 square feet, placed on a podium. She noted that with the podium design there would be additional parking space inside, and that it would be more pedestrian-friendly and more appropriate for an urban setting. She added that unless Target would be able to build the 127,000 square foot building with a lower design, they would not come to Alameda.

President Cunningham noted that another solution would be place the store on the ground, with the parking on the top floor with ramps. Ms. Congleton noted that might affect the aesthetics of the roofline.

A discussion of the store's pedestrian orientation ensued.

President Cunningham would support a smart growth development.

Mr. Piziali inquired whether there was any other option beside the podium design. Ms. Congleton noted that parking was always the toughest issue for her clients, and that they tried to find attractive solutions to hide the cars without requiring more asphalt area for parking.

Ms. Congleton reviewed the requests for information by the Board members, and noted that she would be pleased to present them:

1. Developing additional quantifications;
2. Addressing issues regarding potential tenants around Target;
3. Addressing the fiscal impact on the Island;
4. Discuss the Port of Oakland and the impact of the number of housing units and;
5. The scale of the overall development.

Mr. Knopf noted that the Board requested supporting data behind the assertions made by the economic consultant, especially that Target would rely on 80% of its clientele from Alameda. He noted that Ms. Congleton's report did not address that issue in more depth was because of an analysis performed in 2003 by Strategic Economics.

Ms. Lynch advised that he would also like that data to be delivered to the public.

Mr. Knopf discussed retail capture patterns, and noted that this report assumed a 30-40% capture rate for sporting goods, and between 60-75% in general merchandise capture due to proximity.

With respect to duplication of anchors, Mr. Piziali inquired how many years remained in Mervyn's lease. Mr. Corbett replied that was proprietary information.

In response to an inquiry by President Cunningham, Ms. Eliason replied that the next step would be staff working with the applicant on design, and that a design workshop may be held. The economic information would be brought to the Board when the environmental and traffic information is available, which she anticipated to occur in approximately two months.

No action was taken.

9. WRITTEN COMMUNICATIONS:

Ms. Eliason advised that an email in support of the Target store from Kathy Moehring was received. An off-agenda item related to future development was also distributed.

10. BOARD COMMUNICATION:

- a. Oral Status Report regarding the Northern Waterfront Plan (Vice-President Cook).

Vice President Cook advised that there had been no further meetings.

- b. Oral Status Report regarding the Golf Course Committee (Board Member Piziali).

Mr. Piziali advised there was nothing new to report.

- c. Oral Status Report regarding the Oakland/Chinatown Advisory Committee (Board member Mariani).

Ms. Mariani was not in attendance to present this report.

- d. Oral Status Report regarding the Transportation subcommittee (Board member Kohlstrand).

Ms. Kohlstrand advised that a meeting had been held on Wednesday, October 19, and that it had been featured on the front page of the *Alameda Journal*, resulting in good attendance and feedback. Another meeting had been scheduled for November to address street classification by auto, bicycle and pedestrian functions, and how the land use provisions interact with it.

11. STAFF COMMUNICATION:

Ms. Eliason advised that a discussion of the CIP program would be discussed at the next meeting, which would be explained by Public Works.

In response to a question by Mr. Lynch regarding fees, Ms. Eliason replied that the Planning Division was not yet at cost recovery, but it was moving towards it. Mr. Lynch noted that the Planning fees were very reasonable, and hoped there was some room for adjustment.

12. ADJOURNMENT: 9:40 p.m.

Respectfully submitted,

Gregory J. McFann, Acting Secretary
Planning & Building Department

These minutes were approved at the November 14, 2005, Planning Board meeting. This meeting was audio and video taped.